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BILL



ANALYSIS

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House Bill 4888 (Substitute H-2 as passed by the House)  
Sponsor: Representative Holly Hughes  
House Committee: Local Government  
Senate Committee: Local Government

Date Completed: 2-2-16

### **CONTENT**

**The bill would amend the General Property Tax Act to allow a local tax collecting unit to use a computerized database as the assessment roll required under the Act. The bill would do the following:**

- **Require an assessor to maintain a computerized assessment roll in a format compatible with the local unit's computer system.**
- **Specify that the affidavit attached to or included with the assessment roll would have to include documentation that the roll had been backed up.**
- **Require the local unit to certify and maintain a retention policy that complied with certain requirements of law pertaining to public records.**
- **Require the local unit to certify that the computerized roll had sufficient security procedures to assure the system's integrity.**
- **Specify that an assessor or local unit would meet public inspection requirements by providing a computer terminal for public viewing of the assessment roll.**
- **Prescribe procedures for the State Tax Commission to notify a local unit that it was not in compliance with the bill.**

The bill would take effect 90 days after its enactment.

Under the Act, each year, on or before the first Monday in March, each assessor must make and complete an assessment roll. The assessment roll must include certain information pertaining to the identity of people liable to be taxed in the local tax collecting unit and the real property to be taxed. It also must include information as to the estimated value and taxable value of the property, as well as the last transfer of ownership of every parcel occurring after December 31, 1994.

The bill would allow a local tax collecting unit to use a computerized database system as the assessment roll required under the Act, if the local unit and the assessor certified in a form and manner prescribed by the State Tax Commission that the proposed system had the capacity to enable the local unit to comply, and it did comply, with the requirements described below.

The assessor would have to certify the assessment roll and maintain a computer printed format or a disk, external drive, or other electronic data processing format compatible with the computer system that the local tax collecting unit used. The affidavit attached to or included with the assessment roll would have to include documentation that the roll had been backed up through a computer backup system and a sworn statement by the assessor that the backup system contained a true and complete record of the assessment roll. The affidavit

also would have to include documentation that authorized and reported all changes in the assessment roll as certified by the assessor.

The local tax collecting unit would have to certify and maintain a retention policy that complied with the requirements of Section 5 of Public Act 271 of 1913 and Section 491 of the Michigan Penal Code. (Section 5 of Public Act 271 specifies that a record required to be kept by a public officer may not be disposed of, mutilated, or destroyed except as provided by law. Under Section 491 of the Penal Code, official books, papers, or records created by or received in any office or agency of the State or its political subdivisions are public property, belonging to the people of the State. Those documents may be disposed of only as provided by law. Willfully carrying away, mutilating, or destroying any such books, papers, or records, or retaining possession of them and refusing to deliver them to the proper officer, is a misdemeanor punishable by up to two years' imprisonment and/or a maximum fine of \$1,000.)

The local tax collecting unit also would have to certify that the computerized database system had internal and external security procedures sufficient to assure the integrity of the system.

By May 1 of the third year following the year in which a local tax collecting unit began using a computerized database as the assessment roll, and every three years after that, the local unit would have to certify to the State Tax Commission that the bill's requirements were being met.

An assessor or local tax collecting unit that provided a computer terminal for public viewing of the assessment roll would be considered to have the roll available for public inspection.

If, at any time, the State Tax Commission believed that a local tax collecting unit was no longer in compliance with the bill, the Commission would have to give written notice to the local unit. The notice would have to specify the reasons that use of the computerized database system was no longer in compliance. The local unit would have 60 days to provide evidence that it was in compliance or that action to correct noncompliance had been implemented. If, after the 60-day period expired, the Commission believed that the local unit was not taking satisfactory steps to correct a condition of noncompliance, the Commission could, upon its own motion, withdraw approval of the computerized database system as the original assessment roll. These proceedings of the Commission would have to be in accordance with the rules for other proceedings for the Commission promulgated under the Administrative Procedures Act, and could not be considered a contested case.

MCL 211.24

Legislative Analyst: Patrick Affholter

### **FISCAL IMPACT**

The bill would tend to reduce the costs of a local taxing unit that used a computerized database that met the requirements of the bill for the assessment roll. Current law allows a local tax collecting unit to use a computerized database for the tax roll and the final settlement tax roll if certain conditions are met. The bill would extend similar provisions to the use of a computerized assessment roll with sufficient security, a backup system, and a records retention policy, upon certification by the local taxing unit and the assessor to the State Tax Commission. This would reduce printing and storage costs for local taxing units. The State Tax Commission would incur additional costs of a minimal amount to develop and receive certification forms.

Fiscal Analyst: Elizabeth Pratt

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.